

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 216340

73

ORIGIN SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 R

DRAFTED BY ARA/CAR - MR. BURKE:LH

APPROVED BY ARA - MR. SHLAUDEMANN

L - MR. FELDMAN

OPIC - MR. GILBERT

EB/IFD/OIA - MR. SMITH

S/S - MR. LUERS

----- 089938

O 012220Z OCT 74 ZFF4

FM SECSTATE WASHDC

TO AMEMBASSY GEORGETOWN NIACT IMMEDIATE

LIMITED OFFICIAL USE STATE 216340

EXDIS

E.O. 11652: N/A

TAGS: EMIN, EINV, GY

SUBJECT: REYNOLDS-GUYANA NEGOTIATIONS

1. REYNOLDS REPRESENTATIVES JOSEPH MCCONNELL, RICHARD ROBERTS, JOHN GALEA, MET WITH ASSISTANT SECRETARY ENDERS, DEPUTY LEGAL ADVISER FELDMAN AND MARSHALL MAYS, OPIC, MORNING OCTOBER 1 REVIEW SITUATION IN GUYANA IN LIGHT OF THE ENACTMENT OF NEW TAX LEGISLATION SEPTEMBER 25.

2. REYNOLDS REPRESENTATIVES INFORMED DEPARTMENT THAT COMPANY HAS WITHDRAWN ALL OF ITS AMERICAN PERSONNEL AND THEIR DEPENDENTS, LAST ONES LEAVING MID-DAY OCT 1. WITHIN THE NEXT TWO DAYS REYNOLDS' LOCAL LAWYER, LLOYD LUCKHOO, WILL GO INTO COURT IN GEORGETOWN TO PROTEST NEW TAX LAW ON CONSTITUTIONAL GROUNDS AND FILE CLAIM THAT TAX LEGISLATION VIOLATES REYNOLDS' EXISTING CONTRACT WITH THE GOG. ROBERTS WILL ALSO ADDRESS LETTER TO MINISTER OF MINES JACK TO INFORM HIM THAT REYNOLDS WILL NOT PAY NEW LEVIES. REYNOLDS' OPERATIONS IN GUYANA WILL CONTINUE THROUGH FRI-

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 216340

DAY BUT NO MINING OR SHIPPING OPERATIONS WILL BE CARRIED

ON AFTER THAT DATE UNLESS SPECIAL PERMISSION GRANTED BY
GOG.

3. REYNOLDS EXPECTS THAT GOVERNMENT WILL MOVE TO APPOINT
CONTROLLER AND SEIZE ASSETS OF THE COMPANY WHEN IT BECOMES
EVIDENT THAT REYNOLDS WILL NOT PAY NEW TAX LEVY ON DUE

DATE. POSSIBILITY THAT GOVERNMENT MIGHT NOT MOVE
IMMEDIATELY WAS DISCUSSED AND TO COVER THIS EVENTUALITY
IT IS EXPECTED THAT REYNOLDS' LETTER WILL REQUEST GOG
PERMISSION TO CONTINUE OPERATIONS, NOTWITHSTANDING PRO-
VISIONS IN NEW ACT, PENDING RESOLUTION OF COURT ACTION.
IN THE UNLIKELY EVENT THAT SUCH PERMISSION IS GRANTED,
REYNOLDS REPRESENTATIVES SAID THAT SUPERVISORY PERSONNEL
STILL ON THE GROUND COULD CONTINUE OPERATIONS BEYOND
OCT. 5.

4. REYNOLDS REPRESENTATIVES STATED THAT COMPANY IS TAKING
THESE ACTIONS REGRETFULLY BECAUSE THEY HAD HOPED TO CON-
TINUE OPERATIONS IN GUYANA BUT TO DO SO UNDER NEW TAX
DEMANDS IS ECONOMICALLY NOT FEASIBLE. THEY WISH TO AVOID,
IF AT ALL POSSIBLE, ANY ACRIMONIOUS RUPTURE IN THEIR
LONG-STANDING ARRANGEMENT WITH THE GOG. IN MEETING WITH
ENDERS, THEY ALSO EXPRESSED WILLINGNESS TO ASSIST IN THE
TRANSITION TO GOVERNMENT CONTROL. THEY ASK THAT YOU
CONVEY THIS TO BURNHAM IF AN APPROPRIATE OCCASION ARISES.

5. ENDERS OFFERED DEPARTMENT TELEGRAPH FACILITIES ON A
REIMBURSABLE BASIS TO REYNOLDS FOR THE TRANSMISSION OF
LETTER TO JACK AND ANY OTHER COMMUNICATIONS WHICH MIGHT
BE REQUIRED, NOW THAT THEY NO LONGER HAVE MANAGERIAL
PERSONNEL PRESENT IN GUYANA.

6. YOU WILL BE RECEIVING INSTRUCTIONS BY SEPTTEL FOLLOWING
DEPARTMENT'S REVIEW OF REYNOLDS' LETTER TO GOG. INGERSOLL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX LAW, ASSETS, NEGOTIATIONS, MINING INDUSTRY, LEVIES
Control Number: n/a
Copy: SINGLE
Draft Date: 01 OCT 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE216340
Document Source: CORE
Document Unique ID: 00
Drafter: MR. BURKE:LH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740277-0727
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741082/aaaacsbi.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN SS
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: EXDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 16 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 SEP 2002 by boyleja>; APPROVED <03 MAR 2003 by CollinP0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REYNOLDS-GUYANA NEGOTIATIONS
TAGS: EMIN, EINV, GY, REYNOLDS, (MCCONNELL, JOSEPHINE), (ROBERTS, RICHARD), (GALEA, JOHN), (ENDERS)
To: GEORGETOWN
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005